



General Assembly

Substitute Bill No. 1015

January Session, 2001

***AN ACT CONCERNING THE DISPOSITION OF PROPERTIES IN
DEFAULT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-37x of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 (a) As used in this section, "authority" or "housing authority" means
4 any of the public corporations created by section 8-40 and the
5 Connecticut Housing Authority when exercising the rights, powers,
6 duties or privileges of, or subject to the immunities or limitations of,
7 housing authorities pursuant to section 8-121, and "housing project"
8 means a project developed or administered pursuant to chapter 128.

9 (b) Without limiting any other powers of the Commissioner of
10 Economic and Community Development, [he] the commissioner shall
11 have power: (1) To collect and correlate information regarding housing
12 projects of authorities in the state and upon request to furnish the
13 authorities, in matters of common interest, information, advice and the
14 services of expert personnel; (2) to study state-wide needs for the
15 elimination of substandard housing to stimulate state and city
16 planning involving housing, and otherwise to study housing needs,
17 both rural and urban, and to formulate proposals for meeting these
18 needs; (3) to study methods of encouraging investment of private
19 capital in low rent housing; (4) to study the necessity, feasibility and

20 advantage of the use of state credit by way of loan or subsidy to assist
21 the financing of housing projects for persons of low income; and (5) to
22 accept grants-in-aid [of any of his powers] made pursuant to the
23 provisions of any state or federal law and, for the purpose of
24 complying with the requirements or recommendations of any such
25 law, to prepare such plans and specifications and to make such
26 studies, surveys, reports or recommendations concerning existing or
27 contemplated housing conditions or projects in the state as may be
28 necessary or appropriate.

29 (c) Notwithstanding any other provision of the general statutes, the
30 Commissioner of Economic and Community Development may, after
31 conducting a public bidding process as provided in section 8-44, enter
32 into a master contract or contracts with local, regional or state-wide
33 suppliers of labor, supplies, materials, services or personal property on
34 behalf of one or more housing authorities operating state-financed
35 housing programs or projects. The commissioner may also approve the
36 use by housing authorities, for state-financed programs or projects, of
37 the federal General Services Administration Standard Purchasing
38 Catalog, and amendments thereto, or of the consolidated supply
39 program of the United States Department of Housing and Urban
40 Development in lieu of purchases under such master contract or
41 contracts. The commissioner may, in [his] the commissioner's
42 discretion, with respect to partially completed state-financed programs
43 or projects or in the event of emergencies affecting human health,
44 safety, welfare and life or endangering property, waive the bidding
45 requirement and fiscal limits of said section 8-44.

46 (d) The Commissioner of Economic and Community Development
47 may designate as [his] the commissioner's agent any deputy
48 commissioner or any employee to exercise such authority of the
49 commissioner as [he] the commissioner delegates for the
50 administration of any applicable statute or regulation.

51 (e) As used in this subsection, "troubled loan" means a loan in which
52 payments of interest or principal, or both interest and principal, (1) are

53 delinquent under the terms of a loan agreement, or (2) may become
54 delinquent under conditions which exist which would reasonably lead
55 the Commissioner of Economic and Community Development to
56 believe that a borrower would be unable to repay the loan. Said
57 commissioner may authorize the deferred payments of interest or
58 principal, or both interest and principal, or a portion thereof, in the
59 case of a troubled loan made by the commissioner under any provision
60 of the general statutes or special acts if [he] said commissioner
61 determines the deferral to be in the best interests of the state. Such
62 determination shall be in writing and shall include a statement of the
63 reasons why the deferral is in the best interests of the state. Any
64 deferral made under the provisions of this section shall be subject to
65 the approval of the State Bond Commission.

66 (f) The Commissioner of Economic and Community Development
67 shall have the power to do any of the following: (1) Upon the lawful
68 dissolution of any eligible developer of property financed with a loan,
69 grant or any combination thereof from the state, (A) to accept
70 ownership in the name of the state to such property or to dispose of
71 such property for such price and upon such terms as the commissioner
72 deems proper, provided the action taken shall preserve the property
73 for the use by very low, low or moderate income persons; or (B) the
74 commissioner, after agreement by the Secretary of the Office of Policy
75 and Management, may allow such property to convert to participation
76 in any other programs that the commissioner is authorized to operate,
77 with the same or a new eligible developer, in order to preserve the
78 property for the use by or benefit of very low, low or moderate income
79 persons; (2) upon an action by the commissioner to preserve the state's
80 interest in any contract for financial assistance in any form that results
81 in the state acquiring title to any property, the commissioner, for the
82 purposes of operating the property, shall be considered to be an
83 eligible developer for the purpose of receiving state or federal financial
84 assistance on behalf of the property or its operation. If state or federal
85 assistance is accepted by the commissioner on behalf of any such
86 property, and the commissioner subsequently disposes of such

87 property to an eligible developer, the commissioner has the authority
88 to execute all documents, including, but not limited to, an assignment
89 and discharge. An assignment and discharge may include, but need
90 not be limited to, any agreements, contractual commitments,
91 covenants, mortgages, notes, liens or collateral assignments that will
92 perpetuate the ongoing rights, duties and obligations of existing lawful
93 agreements; (3) to do any acts necessary or appropriate to enforce, on
94 behalf of the state, legislative, regulatory or contractual requirements.

95 [(f)] (g) The Commissioner of Economic and Community
96 Development [shall] may adopt such regulations, in accordance with
97 the provisions of chapter 54, [such regulations] as may be necessary to
98 carry out the purposes of the Department of Economic and
99 Community Development as established by statute.

100 Sec. 2. This act shall take effect from its passage.

HSG

JOINT FAVORABLE SUBST. C/R

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